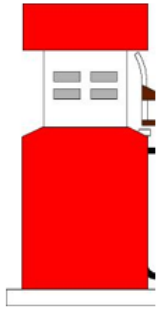


# Energy Market Update, October 29, 2025

## NYMEX Prices



| Product   | Month  | Close  | Wk. Change |
|-----------|--------|--------|------------|
| Crude Oil | Dec 25 | 60.15  | +1.650     |
| RBOB Gas  | Nov 25 | 1.9252 | +0.060     |
| NYH ULSD  | Nov 25 | 2.3872 | +0.138     |
| Nat. Gas  | Nov 25 | 3.345  | -0.105     |

### Market Comments: Petroleum futures were higher in Wednesday trade

The energy complex was stronger across the board in today's trading. Reports of a US-China trade deal in the works ahead of the Thursday's meeting between US President Trump and Chinese President Xi kicked off the morning in green figures.

DOE numbers revealed mid-morning did nothing to quell the positive price movement as draws to inventories in all three segments provided a boost to the market's direction. Led by crude's draw of nearly 7 million barrels to stockpiles as oil exports were strong. Lower refinery utilization rates down to 86.6% largely contributed to the draws of 3.4 million barrels to distillates and 5.9 million barrels to gasoline. Elevated demand for distillates, near 8-month highs, also contributed to its loss of inventory.

Confirmation the Fed would slash interest rates for November was confirmed Wednesday afternoon as the committee reduced their fund policy rate by 25 basis points.

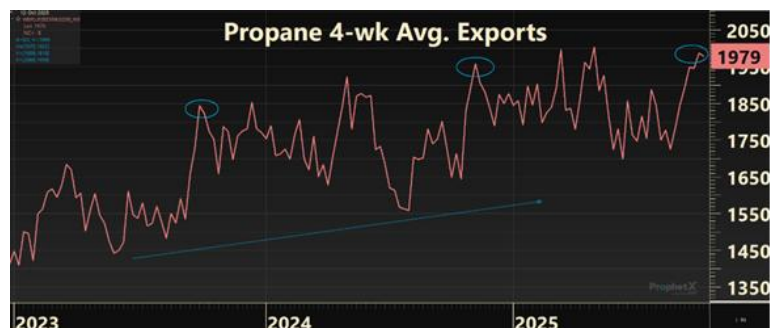
Renewed tension in Gaza is also supporting markets as Israel and Hamas have looked past their recent ceasefire agreement. Airstrikes from Israeli forces ramped up overnight as Israel claims Hamas violated terms of the hostage exchange.

**Looking Ahead:** Tomorrow's meeting between the US and China will be closely followed by markets. If indeed a significant trade agreement is reached, commodity prices (including energy and ag commodities) are likely to see added price support. If reports of a breakdown in trade talks occurs, the recent rise in prices on the back of the reported trade framework agreement will likely deflate prices quickly.

|         | Crude                    |       |            |            | Gasoline         |       |            |            | Distillate Fuel     |       |            |            |
|---------|--------------------------|-------|------------|------------|------------------|-------|------------|------------|---------------------|-------|------------|------------|
|         | Change                   | Total | 3-Yr. Avg. | 5-Yr. Avg. | Change           | Total | 3-Yr. Avg. | 5-Yr. Avg. | Change              | Total | 3-Yr. Avg. | 5-Yr. Avg. |
| EIA     | -6.9                     | 452.0 | 432        | 450        | -5.9             | 210.7 | 218        | 226        | -3.4                | 112.2 | 118        | 136        |
| Est.    | -0.8                     |       |            |            | -1.0             |       |            |            | -1.0                |       |            |            |
| Propane | Total 105.7 2.5          |       |            |            | Midwest 28.2 0.2 |       |            |            | Gulf Coast 62.6 1.7 |       |            |            |
| API     | Crude -4.00 Cushing 1.70 |       |            |            | Gasoline -6.3    |       |            |            | Distillates -4.40   |       |            |            |

### New Seasonal Record in LP Exports

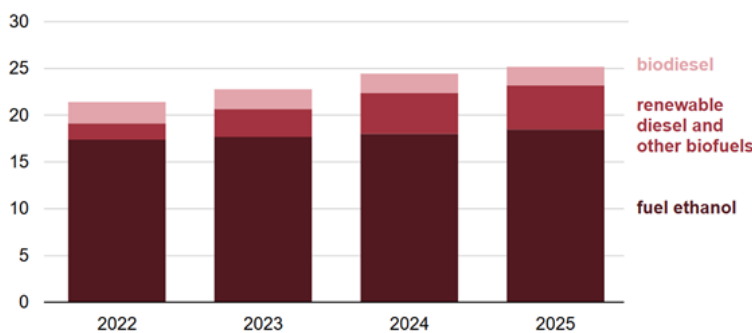
- For four years running, US propane exports have a new seasonal record
- A Fall mark was achieved the first week of October at 1.987 million b/d
- LP production levels are near record levels, 4-wk avg. currently shows 2.853 million b/d



**Why it matters:** Strong US propane production numbers are allowing exports to rise at a good pace, domestic demand to remain steady, without a big effect to US inventories. This year and last year are prime examples, with stocks reaching record highs each year.

## U.S. Biofuels Production Capacity Growth Slowed in 2024.

U.S. biofuels production capacity as of January 1 (2022–2025)  
billion gallons per year



- According to the EIA, the pace of capacity additions for U.S. biofuel production slowed in 2024, with production capacity increasing by a modest 3% from the start of 2024 to the start of 2025.
- A deceleration in production capacity in the category of renewable diesel and other biofuels accounted for most of the slowdown in growth.
- Sustainable aviation fuel, renewable naphtha, and renewable propane make up virtually all other biofuels.

- Renewable diesel and other biofuels production capacity increased by just 391 million gallons per year in 2024, less than one-third of the growth observed in 2022 and 2023.
- Only two capacity additions came online in 2024, both in California: Phillips 66's conversion of its Rodeo refinery to exclusively produce biofuels and the new Renewable Fuels LLC plant in Bakersfield.
- With the completed conversion, the Rodeo plant's capacity is 767 million gallons per year, up from 180 million gallons per year in last year's report.
- This increase makes it the second-largest renewable diesel plant in the U.S. behind Diamond Green Diesel's 982 million-gallon-per-year plant in Norco, Louisiana.

## China's data is mixed, with Industrial profits further improved, but weak consumer spending reported

- Additional support for energies could come from China's industrial profits, which the National Bureau of Statistics reported soared 21.6% in September from a year ago.
- This follows a gain of 20.4% year-on-year in August, which was the highest gain since November 2023.
- Earnings for the year's first nine months are up 3.2% YoY. (Chart right.)

China's consumer and producer prices still slumped in September.

Trade barriers remain a hurdle for China's export growth, with expectations for slowing growth in Q4. China's economy expanded at the slowest rate in a year in Q3, with 4.8% expansion reported.

### China's industrial profit posts biggest jump in nearly two years

Earnings for January-September period rose 3.2% from a year earlier



Source: Wind Information, National Statistics Bureau

Made with Flourish